



SPECIALTY CROP BLOCK GRANT PROGRAM

North Carolina Guidelines

Federal Fiscal Year 2009

Administered by

North Carolina Department of Agriculture & Consumer Services

1020 Mail Service Center

Raleigh, NC 27699-1020

Background

The North Carolina Department of Agriculture & Consumer Services (NCDA&CS) manages the Specialty Crop Block Grant Program established by the 2008 Farm Bill. The NCDA&CS has implemented a competitive grant process to award these federal funds in 2009.

NCDA&CS will be administering funds totaling approximately \$1.2 million for the development of Specialty Crop projects that will support and enhance the competitiveness of Specialty Crops in North Carolina. NCDA&CS intent is to fund projects that can produce the highest degree of measurable benefits to North Carolina specialty crop producers in relation to each dollar spent. NCDA&CS will accept grant applications with a value of up to \$100,000 and a minimum of \$10,000. Grants will be awarded for up to three years.

Once all applications are submitted to NCDA&CS, each one will be carefully reviewed and evaluated based on the criteria listed in these guidelines. All NCDA&CS approved projects will then be developed into one grant submission to the USDA. Upon approval from USDA, NCDA&CS will notify applicants (sub-grantees) of their status. No final awards to any sub-grantee will be made until a final grant award is made to NCDA&CS (grantor) by USDA. Final approval is expected by September 30, 2009, but is subject to change.

Purpose of Grants

The purpose of the NCDA&CS Specialty Crop Block Grant Program is to support projects that enhance the competitiveness of North Carolina grown specialty crops in either domestic or foreign markets. NCDA&CS is soliciting applications for projects that will address issues that affect the profitability and long term viability of specialty crops. Projects can benefit all specialty crop growers, growers of a specific specialty crop, specialty crops in a specific region of the state, or demonstration projects that can be transferable to growers statewide. Grant funds will not be awarded for projects that directly benefit or provide a profit to a single organization, institution, or individual.

Funding Priorities for Specialty Crop Block Grant Program funds include, but is not limited to, the following activities:

Research and Extension:

Examples: crop production, harvesting, post harvest handling; new variety evaluation and development, varieties for pest resistance, varieties adapted to regions of N.C or adapted to certain environments; insect, disease, and weed management; invasive plant/pest control; water management; pollination; applied research/on farm tests, enterprise budget analysis, reducing production input costs.

Marketing:

Examples: Promoting specialty crops; developing new and existing markets focusing on consumers, retail, foodservice, institutions, and processors; consumer/buyer awareness/education; new product development; marketing/economic surveys.

Food Safety:

Examples: Good Agricultural Practices/Good Handling Practices (GAP/GHP) education, training, auditing, traceability, crisis management, developing GAP standards, risk analysis, certification programs, cost share programs for GAP and water testing.

Sustainability:

Examples: Sustainable agriculture projects that focus on ensuring the profitability of specialty crop farms while reducing natural resource inputs and impacts on the environment. Nutrient management, cover crop research, efficient use of water for crop production, sustainable landscape practices including efficient water use, maintaining clean water; impact of perennial specialty crops on the environment

Definition of Specialty Crops:

Eligible Specialty Crops

Fruits, vegetables, tree nuts, dried fruits, horticulture, Christmas trees, turfgrass/sod, and nursery and greenhouse crops are eligible specialty crops.

Ineligible Commodities

Cotton and Cottonseed	Aquaculture	Sugar Beets
Feed Crops such as Barley, Corn, Hay, Oats, Sorghum Grain, Millet	Oil Crops such as Peanut, Soybean, Sunflower, Safflower, Rapeseed, Canola, Mustard Seed	Livestock and Dairy Products, Including Eggs
Flaxseed	Peanuts	Tobacco
Food Grains such as Rice, Rye, Wheat	Range Grasses	Sugarcane

Application Requirements

Complete all sections of the application and send an **original** plus **four (4) copies** to:
Specialty Crop Grant , NC Dept. of Agriculture & Consumer Services, 1020 Mail Service Center, Raleigh, North Carolina 27699-1020. The application must be typed or produced by word processor 12 pt. font, on eight-and-half inch by eleven-inch paper. All margins must be at least one inch. Additional materials that will assist the NCDA&CS in its evaluation of this project may be attached. All applications, attachments to applications and written materials received by the NCDA&CS are public records. If possible, include an electronic copy (diskette, email) of this proposal with the paper copies. Refer to the following in completing applications:

“Program Guidelines”

“Appendix A - Budget Narrative Format”

“Budget Template”

“Appendix B - Unallowable and Allowable Costs for Specialty Crop Grants”

“ Appendix C - Application Examples”

“List of Selected Items of Cost”.

All of these documents can be viewed on our web site **www.NCSpecialtyCropGrant.org** . An electronic version of the application can also be found on the web site.

The maximum grant amount, for this cycle, will be no more than \$100,000, and no less than \$10,000. Grants will be awarded for up to three years.

Completed applications must be postmarked or hand-delivered by 5:00 PM on June 19, 2009 to be considered during this granting cycle.

Inquiries regarding the application process should be addressed to:

Specialty Crop Grant Project Manager

1020 Mail Service Center

Raleigh, NC 27699-1020

Or email: SpecialtyCropGrant@ncagr.gov

Phone: 919-733-7887

QUALIFICATIONS AND REQUIREMENTS

Applications will be accepted from the following organizations that seek to improve the competitiveness of specialty crops in North Carolina.

- Non-profit 501 (c) (3) corporations
- Other non-profit organizations or corporations including agricultural commodity associations. A Letter of Tax Determination from the IRS will be required for non-profits.
- State or local governmental units
- Colleges, Universities

In order to be eligible to participate, the applicant must reside or their business or educational affiliation must be in North Carolina.

Grant funds will not be awarded for projects that solely benefit or provide a profit to a single organization, institution or individual. Single organizations, institutions, and individuals are encouraged to participate as project partners.

Non Profit organizations will be required to provide the following if their application is approved for funding:

- Sworn Statement of No Overdue Tax Debts - provided by the NCDA&CS.
- Conflict of Interest Policy
- The NCDA&CS shall not disburse funds until the "Sworn Statement of No Overdue Tax Debts" and the grantee's "Conflict of Interest Policy" have been received.

Multi-State Partnerships

Multi-state projects are encouraged to provide a growing need for solutions to problems that cross state boundaries such as, but not limited to: addressing good agricultural practices, research on crop productivity or quality, enhancing access to federal nutrition programs, pest and disease management, or commodity-specific projects addressing common issues in multi-state regions.

Restrictions And Limitations On Grant Funds

Grant funds will not be awarded for the following:

Projects that solely benefit a particular commercial product or provide a profit to a single organization, institution, or individual.

Any request for reimbursement of expenses for activities completed prior to submission and approval of the application.

Requests to pay for government services normally paid for with general taxpayer funds, such as research equipment or faculty salaries.

Requests that seek to replace operational funding for ongoing projects that have suffered losses of state or federal funding, or to replace other local, state or federal funding.

Any request to pay for "indirect costs" associated with a project.

Any request for reimbursement of travel expenses where the cost is over the State government travel requirements.

Grant funds may not be used to fund political activities in accordance with provisions of the Hatch Act (5 U.S.C. 1501-1508 and 7321-7326).

Development or participation in lobbying activities pursuant to 31 U.S.C. 1352 including costs of membership in organizations substantially engaged in lobbying are unallowable.

Capital expenditures for general purpose equipment, buildings, and land are unallowable as direct and indirect charges.

Capital expenditures for special purpose equipment are allowable as direct costs, provided that items with a unit cost of \$5000 or more have the prior approval of AMS.

Special purpose equipment means equipment which is used only for research, scientific, or other technical activities. The special purpose equipment must solely enhance the competitiveness of eligible specialty crops and benefit the specialty crop industry.

Rental costs of buildings and equipment are allowable as direct costs in accordance with the cost principles in Subpart T of 7 CFR 3015.

Allowable Costs

You may refer to Appendix B “Unallowable and Allowable Costs”

All costs must be associated with project activities that enhance the competitiveness of specialty crops.

All grants are subject to those federal cost principles applicable to the particular organization concerned. For example, for grants to a university, the cost principles applicable to a university will apply. Please refer to the applicable cost principles when developing your project activities and budget. You may reference “A List of Selected Items of Cost Contained in the federal OMB Cost Principles Regulations” at the following website to locate the principles applied in establishing the allowability or unallowability of specific items of cost.

<http://www.ams.usda.gov/AMSV1.0/getfile?dDocName=STELPRDC5075580>

Review Process / Evaluation Criteria

In addition to targeting specific priorities and areas of focus, NCDA&CS intent is to fund projects that can produce the highest degree of measurable benefits to North Carolina specialty crop producers in relation to each dollar spent. Applications will be evaluated on the criteria set forth below.

- Project's Purpose; the specific issue, problem or need to be addressed is clearly defined; sound explanation of why is it important and timely, objectives are clear and appropriate to the project purpose and need.
- Potential Impact - Expected economic benefit to North Carolina specialty crops under one of the categories listed in the grant program priorities. Potential beneficiaries and number of farmers impacted.
- Project Workplan – How well do the activities relate to the project objectives? Is the project feasible? Is the timeline reasonable? Is the performance monitoring/data collection plan included? Is the project staff experience and expertise and available resources adequate?
- Measurable Outcomes – Does the project include at least one measurable outcome? How well will the proposed project allow the applicant to quantify and document the projects benefits and outcomes?
- Thoroughness and Clarity of Request (assessment of needs and opportunities, budget documentation, qualified project management, etc.)
- Budget / Financial Feasibility: How reasonable and appropriate is the amount requested and budgeted for the project? Is the proposed budget realistic for accomplishing the project objectives?
- Matching Funds. Matching funds are not required, however, applications that include matching funds will receive higher consideration than requests that are based solely on Specialty Crop grant funds. Matching funds may include in-kind resources or direct cash contributions. While there is no required percentage of matching funds, any funds committed as matching funds must be spent concurrently with USDA Specialty Crop Block Grant funds (i.e. past expenditures will not be counted as match).
- Significance to the long term sustainability of specialty crops in North Carolina

- Regional or Statewide Significance (documented support from a cross-sector of vested farms, agribusinesses or organizations)
- Long Term Solutions (long-term, measurable and sustainable solutions to specialty crop needs or opportunities identified by the project)

Please note that for grants to universities or colleges, those documenting the support of agricultural commodity associations and industry will be favored.

Requests for funding will be reviewed by a NCDA&CS grant review committee. Funding for projects will be for one to three years.

Contract and Reporting Requirements

Contracts will specify milestones, outcomes, deliverables and a payment schedule for these deliverables. Grantees must submit an annual performance and financial report 30 days after the end of the first year of the date of the signed grant agreement and each year until the expiration date of the grant period. If the grant period is one year or less, then only a final performance report is required. A final performance and financial report is also due 30 days following the end date of the grant agreement.

Final reports are due before final payment. The applicant must be able to document activities, results, outcome measures, and expenditures of grant funds. Reports must follow an outline provided by NCDA&CS.

Expenditure reports will also be required for periodic requests for payment of grant funds including expenditures of grant and matching funds.

All non-governmental entities shall file in electronic format to the NC Office of the State Auditor certain performance and financial reports as mandated under N.C. G.S 143C-6-23, within 60 or 90 days - depending on the grantees level of accumulated state funding for the fiscal year.

Accountability

Grant Recipients will be accountable for all grant funds awarded and must ensure all funds are used solely for authorized purposes. Grant Recipients need to ensure:

Funds are not used in violation of the restrictions and prohibitions of applicable statutes.

There is effective control and accountability over grant cash, real and personal property, and other assets.

Grant Recipient must ensure they have an adequate accounting system in place and good internal controls to ensure expenditures and reimbursements are reported and maintained.

Payment of Grant Funds

The NCDA&CS will award grants contingent on the availability of sufficient funds to do so. Funds will be conveyed to grantees through contracts with the NCDA&CS. Of the total funds awarded for each project, the grantee may draw a percentage in advance of project expenditures, contingent upon an approved scope of work and payment schedule and upon submission of a payment request on an approved form. Payments may be paid to successful applicants as reimbursement upon receipt of expenditure reports or invoices at mutually agreed upon periodic intervals as outlined in the contract.

The grant agreement will also provide that the grantee shall put grant money in an interest bearing account and that any interest earned on the grant money shall be returned to the NCDA&CS at the

conclusion of the grant. If the NCDA&CS determines that grant funds are not being used for the purpose for which they were awarded, the NCDA&CS may cease making payments under the grant schedule until the problem has been resolved or may demand immediate return of any unspent money and interest from the grant, with which request the grantee must comply. Grantees must pay back to the NCDA&CS any funds that the NCDA&CS determines have not been spent for the purpose for which they were granted as well as the statutory interest rate on those funds. Grantees must return any grant money, which remains unspent at the conclusion of the grant project, along with any interest earned on grant money.

NCDA&CS will withhold ten percent (10%) of the final payment until the final performance and financial reports are received.

All non-governmental entities may receive a 1099 tax form for funds received in any given calendar year.

Acknowledgement of Support

An acknowledgement of the NCDA&CS Specialty Crop Grant Program must appear in any publication or any significant event based on this project. Terms should include "This project is supported in part by the North Carolina Department of Agriculture and Consumer Services Specialty Crop Grant Program, along with the "Got to be NC logo". In addition, any advertising must include the "Got to be NC" logo.

Audit and Reports

Financial records, statistical records, supporting documents, and other records pertinent to this award shall be retained for a period of five years from submission of the final project report. Records that relate to audits, appeals, litigation, or settlement of claims arising out of the performance of the project shall be retained until such audits, appeals, litigation, or claims have been disposed of. The NCDA&CS, and other state and federal representatives shall have access to any pertinent documents, books, papers, and records of the recipient organization to make audits, examinations, excerpts, and transcripts.

Site Visits

NCDA&CS has the right, at all reasonable times, to make site visits to review project accomplishments and management control systems, and to provide such technical assistance as may be required.

Safeguarding Funds

In no case will USDA Specialty Crop Competitive Grant funds be commingled with the personal funds of, or be used for personal purposes by, any officer, employee, or agent of the recipient; nor will any of these funds be deposited in personal bank accounts for disbursement by personal check.